



**North Carolina
Department of Environment
and Natural Resources**

**Operating
P R O C E D U R E S**

Section: Purchase and Services

Subject: Purchase

**Approved by: DENR Secretary
(Subject To Final Approval)**

**Eff. Date: 1991
Revised: 2012
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SUBJECT: Term Contract Commodities

DEFINITION:Term Contract:

A contract administered by the Division of Purchase and Contract, Department of Administration (DOA P&C). A term contract results from bids advertised by DOA P&C) and covers commodities used most frequently by all departments of State Government. While most term contracts cover a period of 12 months, some may be issued for different periods of time. A term contract is a **legally** binding agreement between the state and the awarded vendor to buy and sell certain items at certain prices for a specific period of time.

RESPONSIBILITIES OF: Division/Program

ACTIONS:

1. Identifies need for product.
2. Verifies the product is not available from Correction Enterprises.
3. Verifies the product is on term contract.

4. Obtains Request for Exception (RE) approval if needed based on current guidelines from the North Carolina Department of Environment and Natural Resources Division of Budget, Planning and Analysis (BPA).
5. Enters purchase requisition into the North Carolina eProcurement System depending upon the total order value. (See information regarding Direct Payment Purchases and Procurement Card (Pcard) Purchases found later in this document.)
6. Purchase requisition routed through the North Carolina eProcurement System's approval path for review/approval.

RESPONSIBILITIES OF : Purchase and Services

ACTIONS:

1. Purchase requisition is received in Purchase and Services via the North Carolina eProcurement System . Purchasing team members review purchase request, make corrections (if necessary) **and** approves the purchase order on a daily basis.
2. Purchase Order is approved through the North Carolina eProcurement System on a daily basis.
3. Approved purchase orders are transmitted to vendors electronically via the North Carolina eProcurement System.
4. Purchasing team members create/maintain the Purchase Order file based on the North Carolina Department of Environment and Natural Resources Division of Purchase and Services (DPS) practices.

SUBJECT: Open Market/Non-Contract Purchases (\$2,500.01 - \$10,000.00)

DEFINITION:Open Market/Non-Contract Commodities:

Purchases of commodities **not** covered by an existing statewide term contract. Purchases within this dollar range (\$2,500.01 - \$10,000.00) **require** the issuance of a purchase order. A minimum of three (3) written quotations, showing "good faith effort" to seek competition are **required** for purchase transactions within this price range. Use of both the DENR Departmental Request for Quotation for Commodities Form **and** State of North Carolina General Terms and Conditions (PSF-10) *are* required as part of the competitive bid process. These forms can be found on the Division of Purchase and Services webpage <http://portal.ncdenr.org/web/ps/> under Forms.

RESPONSIBILITIES OF: Division/Program

ACTIONS:

1. Identifies need for product.
2. Verifies the product is not available from Correction Enterprises.

3. Verifies the product is open market or term contract.
4. Obtains Request for Exception (RE) approval if needed based on current guidelines from (BPA).
5. Division/program obtains a minimum of three (3) written quotes using the Request for Quotation for Commodities Form and PSF-10.
6. Enters purchase requisition into the North Carolina eProcurement System .
7. Purchase requisition routed through the North Carolina eProcurement System's approval path for review/approval.

RESPONSIBILITIES OF: Purchase and Services

ACTIONS:

1. Purchase requisition is received in DPS via the North Carolina eProcurement System. Purchasing team members review purchase requisition and supporting documentation for compliance with rules and regulations and makes corrections (if necessary). Purchasing team members obtain written quotes for requisitions which are submitted without written quotations or requisitions submitted with invalid written quotations.
2. Purchase order is approved through the North Carolina eProcurement System on a daily basis.
3. Approved purchase orders are transmitted to vendors electronically via the North Carolina eProcurement System.
4. Purchasing team members create/maintain the Purchase Order file based on the DPS practices.

SUBJECT: Open Market/Non-Contract Purchases (\$10,000.01 - \$25,000.00)

DEFINITION:Open Market/Non-Contract Commodities:

Purchases of commodities **not** covered by an existing statewide term contract. Proposed purchases that **exceed \$10,000.00** are required by law adopted pursuant to G.S. 143-53(a)(2) and NC Administrative Code 1 NCAS 5B .0316 Advertisement Requirements to obtain competitive bids using the Interactive Purchasing System (IPS) via the Internet. These proposed purchases must be forwarded to DPS for the bidding process.

RESPONSIBILITIES OF: Division/Program

ACTIONS:

1. Identifies need for product.

2. Verifies the product is not available from Correction Enterprises.
3. Verifies the product is open market or term contract.
4. Obtains Request for Exception (RE) approval if needed based on current guidelines from BPA.
5. Enters purchase requisition into the North Carolina eProcurement System.
6. Purchase requisition routed through the North Carolina eProcurement approval path for review/approval.
7. Review bid proposals received from vendors and make a recommendation to DPS.

RESPONSIBILITIES OF : Purchase and Services

ACTIONS:

1. Purchase requisition is received in DPS via the North Carolina eProcurement System. Purchasing team members review purchase requisition and supporting documentation for completeness and make corrections (if necessary). Purchasing team members prepare the bid document and posts to the Internet via IPS.
2. Receives questions from the vendor community, prepares and posts Addendum(s), receives/opens/tabulates bids received from vendor community. Forwards all bid responses to the division for review/recommendation.
3. Review the recommendation from the division. If the recommendation is acceptable a purchase order is approved, if not acceptable, DPS will work with the division until all problem areas are corrected and the purchase order can be approved.
4. Approved purchase order is transmitted to the vendor electronically via the North Carolina eProcurement System
5. Purchasing team members create/maintain the Purchase Order file based on DPS practices.

SUBJECT: Open Market/Non-Contract Purchases (\$25,000.01 or greater)

DEFINITION:Open Market/Non-Contract Commodities:

Purchase of commodities **not** covered by an existing statewide term contract. Proposed purchases that **exceed \$25,000.01** are forwarded to Department of Administration, Purchase and Contract (DOA/P&C) for processing.

RESPONSIBILITIES OF: Division/Program

ACTIONS:

1. Identifies need for product.

2. Verifies the product is not available from Correction Enterprises.
3. Verifies the product is open market or term contract.
4. Obtains Request for Exception (RE) approval if needed based on current guidelines from BPA.
5. Division/program **informally** obtains estimated cost of product(s).
6. Enters purchase requisition into the North Carolina eProcurement System.
7. Purchase requisition routed through the North Carolina eProcurement System approval path for review/approval.
8. Review bid proposals received from vendors and make a recommendation to DPS.

RESPONSIBILITIES OF: Purchase and Services

ACTIONS:

1. Purchase requisition is received in DPS via the North Carolina eProcurement System. Purchasing team members review purchase requisition and supporting documentation for completeness, make corrections (if necessary) **and** submits the requisition via the North Carolina eProcurement System to DOA P&C for processing.
2. DPS routes Invitation for Bid (IFB) responses to division/program for review/recommendation.
3. DPS receives recommendation from division/program and drafts Board of Award recommendation letter to DOA P&C.
4. Contract Certification received from DOA P&C.
5. Purchase order is approved through the North Carolina eProcurement System .
6. Approved purchase orders are transmitted to the vendors electronically via the North Carolina eProcurement System.
7. Purchasing team members create/maintain the Purchase Order file based on DPS practices.

SUBJECT: Direct Payment Purchases (up to \$1,500.00)

DEFINITION:Direct Purchases:

Purchases of term contract and/or open market/non-contract commodities with a total dollar value (all inclusive price) of \$1,500.00 or less, , are processed as direct payments. Documentation of competition is not required; however, divisions and regional offices should establish (if not already in place) internal review processes to guard against abuse and to

ensure that the dollar value received is commensurate with dollar value expended. Purchase orders are not issued for such purchases.

RESPONSIBILITIES OF: Division/Program

ACTIONS:

1. Identifies need for product.
2. Makes determination if needed product can be obtained from Correction Enterprise.
3. Internal approval is initiated for division financial/budget purposes.
4. Obtains Request for Exception (RE) approval if needed based on current guidelines from BPA.
5. Product is purchased by authorized division/program staff.
6. Invoice for product is attached to Cash Disbursements Code Sheet and routed to Controller's Office for payment.

RESPONSIBILITIES OF: Purchase and Services

ACTIONS:

1. Acts as information resource for customers, if needed, to determine if desired product is Correction Enterprises, term contract or open market.
2. Periodically reviews direct payments with Accounts Payable staff for compliance with Departmental policy.

SUBJECT: Direct Payment Purchases (\$1,500.01 - \$2,500.00)

DEFINITION:Direct Purchases:

Purchases of term contract and/or open market/non-contract commodities valued between (\$1,500.01 and \$2,500.00(price all inclusive). Purchases within this dollar range will also be processed as direct payments with one major significant difference. A minimum of three (3) documented, competitive telephone quotes are required for purchase transactions within this price range. Use of the DENR Departmental "Telephone Quotation Form" (DPF-7) is required.

RESONSIBILITIES OF: Division/Program

ACTIONS:

1. Identifies need for product.
2. Makes determination if needed product can be obtained from Correction Enterprises.

3. Obtain three (3) telephone quotes; note information on DPF-7.
4. Internal approval is initiated for division financial/budget purposes.
5. Obtains Request for Exception (RE) approval if needed based on current guidelines from BPA.
6. Product is purchased by authorized division/program staff.
7. Invoice for Product **and** Telephone Quotation Form (DPF-7) are attached to a Cash Disbursements Code Sheet and routed to the Controller's Office for payment.

RESPONSIBILITIES OF: Purchase and Services

ACTIONS:

1. Acts as information resource for customer, if needed to determine if desired product is term contract or open market.
2. Periodically reviews direct payments with Accounts Payable staff for compliance with Departmental policy.

SUBJECT: Procurement Card Purchases (up to \$1,500.00)

DEFINITION: Procurement Card (Pcard) Purchases:

Purchases of term contract and/or open market/non-contract commodities with a total dollar value (all inclusive price) of \$1,500.00 or less, if approved under Pcard procedures may be purchased using the Pcard. There is on major significant differences when using the Pcard for purchases within this dollar range . A minimum of three (3) documented, competitive telephone quotes are required for purchase transactions within this price range. Use of the DENR Departmental "Telephone Quotation Form" (DPF-7) is required.

RESPONSIBILITIES OF: Division/Program

ACTIONS:

1. Identifies need for product.
2. Makes determination if needed product can be obtained from Correction Enterprise.
3. Internal approval is initiated for division financial/budget purposes.
4. Obtains Request for Exception (RE) approval if needed based on current guidelines from BPA.
5. Product is purchased by authorized division/program staff.

6. Division reconciles the transaction(s) (on a daily basis) using receipts submitted by the cardholder. Documentation is forwarded to the Department of Environment and Natural Resources Office of the Controller as backup for Pcard payments made.

RESPONSIBILITIES OF: Purchase and Services

ACTIONS:

1. Acts as information resource for customer, if needed to determine if desired product is term contract or open market.
2. Periodically reviews direct payments with Accounts Payable staff for compliance with Departmental policy.

SUBJECT: Procurement Card Purchases (\$1,500.01 - \$2,500.00)

DEFINITION: Procurement Card (Pcard) Purchases:

Purchases of term contract and/or open market/non-contract commodities with a total dollar value (all inclusive price) of \$1,500.01 to \$2,500.00 or less, if approved under Pcard procedures may be purchased using the Pcard. Documentation of competition is not required; however, divisions and regional offices should establish (if not already in place) internal review processes to guard against abuse and to ensure that the dollar value received is commensurate with dollar value expended. Purchase orders are not issued for such purchases.

RESPONSIBILITIES OF: Division/Program

ACTIONS:

7. Identifies need for product.
8. Makes determination if needed product can be obtained from Correction Enterprise.
9. Obtain three (3) telephone quotes; note information on DPF-7.
10. Internal approval is initiated for division financial/budget purposes.
11. Obtains Request for Exception (RE) approval if needed based on current guidelines from BPA.
12. Product is purchased by authorized division/program staff.
13. Division reconciles the transaction(s) (on a daily basis) using receipts submitted by the cardholder. Documentation is forwarded to the Department of Environment and Natural Resources Office of the Controller as backup for Pcard payments made.

RESPONSIBILITIES OF: Purchase and Services

ACTIONS:

3. Acts as information resource for customer, if needed to determine if desired product is term contract or open market.
4. Periodically reviews direct payments with Accounts Payable staff for compliance with Departmental policy.